SUBJECT INDEX

PAGE

Question presented 1

Statement of the case 2

Argument 4

I.

There is no conflict between the decision of the Court of Appeals in this case and Rule 56 of the Federal Rules of Civil Procedure 4

II.

There is no conflict between the decision of the Court of Appeals in this case and decisions of the other circuits 5

III.

The public interest demands careful inquiry before holding a patent valid 7

IV.

Petitioner's alleged questions have no basis in the record 8

Conclusion 9

TABLE OF AUTHORITIES CITED

CASES

	PAGE
Begnaud v. White, 170 F. 2d 323	6
Chenault v. Nebraska Farm Products, Inc., 107 Fed. Supp. 635, 94 U. S. P. Q. 321	8
Great Atlantic & Pacific Tea Company v. Supermarket Equipment Corp., 340 U. S. 174, 71 S. Ct. 127, 95 L. Ed. 162, 87 U. S. P. Q. 303	7
Haughey v. Lee, 151 U. S. 282	7
Mercoid Corporation v. Mid-Continent Investment Co., 320 U. S. 661	7
Parke Davis & Co. v. American Cyanamid, 207 F. 2d 571	5
Pierce v. American Communications Co., Inc., 111 Fed. Supp. 181, 97 U. S. P. Q. 60	5
Walling v. Richmond Screw Anchor, 154 F. 2d 780	6

RULES

Federal Rules of Civil Procedure, Rule 56	4, 9

TEXTBOOK

6 Moore's Federal Practice (2d Ed.), p. 2059	4
6 Moore's Federal Practice (2d Ed.), p. 2071	8

BLEED THROUGH POOR COPY

IN THE

Supreme Court of the United States

OCTOBER TERM, 1954.

No. 753.

H. KOCH & SONS, a partnership,

Petitioner,

vs.

HYCON MFG. COMPANY,

Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI.

The petition does not properly present the issues which were decided by the Court of Appeals and accordingly Respondent proposes the following question as the single issue involved in this proceeding.

Question Presented.

In a patent infringement suit where infringement and validity of the patent are denied in the pleadings, numerous prior art patents are introduced in evidence, conflicting affidavits are filed, and physical exhibits of prior public use introduced but no testimony is permitted concerning their construction and relevancy, is it proper, in view of the paramount interest of the public in patent cases, for the trial court under such circumstances to de-

termine on motion for summary judgment that said patent displays sufficient novelty and invention over said prior art patents and uses to be upheld as a valid monopoly.

Statement of the Case.

While petitioners go into considerable detail concerning the merits of the case below, this merely tends to confuse the issue since, as pointed out on page 12 of the petition, the Court of Appeals did not decide the case on the merits, but on the contrary, remanded it for trial on the sole ground that summary judgment was improper because there was a genuine issue of fact that should have been tried.

As stated in the petition, both parties moved for summary judgment, and plaintiff's motion was supported by the affidavit of the patentee Maurice P. Koch, raising controversial issues of fact.

Shortly after said motions were filed the defendant Hycon Mfg. Company succeeded in finding a piece of Halliburton luggage with a waterproof seal [Ex. R] which had been manufactured and sold some ten (10) years prior to the Koch patent filing date. The Halliburton luggage construction *is substantially identical to that of the Koch patent*, as shown by the drawing attached hereto which folds outwardly for convenient use.

Upon the filing of the Koch affidavit, defendant Hycon Mfg. Company immediately filed a formal paper contesting several of the issues of fact raised therein. This paper, entitled "Defendant's Statement on Plaintiff's Motion for Summary Judgment" [R. 22] was supported by the time of the hearing by affidavits of Grover Judy and R. W. Cripe.

BLEED THROUGH POOR COPY

Mr. Cripe was the design engineer for the early Halliburton waterproof luggage and his affidavit [R. 28] described the construction, manufacture, and sale of 2,000 Halliburton luggage pieces up to 1941. Also the waterproof testing of these units was described. Attached to his affidavit was a drawing of the Halliburton tongue and groove waterproof seal construction [R. 132].

Realizing the vital importance of the Halliburton luggage as a substantial anticipation of the plaintiff's patent, Respondent had Mr. Cripe in court at the hearing on the summary judgment motions. Mr. Cripe was prepared to testify regarding the Halliburton construction, its waterproof characteristics and the excellence of its performance.

As pointed out by the Court of Appeals, there was an attempt to put Mr. Cripe on the stand, but plaintiff objected and although plaintiff stipulated to the existence of the Halliburton structure prior to 1942, Respondent was nevertheless precluded from presenting oral testimony as to its construction and relevancy. The result was that the trial court never fully understood the Halliburton structure. This is evident from the fact that in spite of the substantial identity of the Halliburton and Koch structures (see drawing attached hereto) the Halliburton luggage was not even mentioned in the findings or the conclusions of the trial court.

In view of the foregoing facts the Court of Appeals on its own motion raised the question of the propriety of the summary judgment proceedings in the trial court, and on this issue alone remanded the case to the District Court.

ARGUMENT.

I.

There Is No Conflict Between the Decision of the Court of Appeals in This Case and Rule 56 of the Federal Rules of Civil Procedure.

Rule 56 permits summary judgment upon motion by either party provided that the pleadings, depositions, admissions and affidavits on file show that there is no genuine issue as to any material fact *and* that the moving party is entitled to judgment as a matter of law. In the present case neither of these requirements was met.

The conflicting affidavits violated the permissible scope of affidavits under Rule 56. The purpose of affidavits under Rule 56 is to establish whether or not there is a triable issue of fact. Summary judgment procedure does not contemplate a trial by affidavits.

6 *Moore's Federal Practice* (2d Ed.), p. 2059.

Here the affidavits demonstrated that there was a triable issue of a material fact and for this reason the motions should have been denied. An attempt was made by the defendant (Respondent herein) to introduce testimony of R. W. Cripe at the summary judgment proceeding to explain the construction and relevancy of the prior art Halliburton luggage, but it was indicated that the nature of summary judgment prevented trial of the issues and testimony was not permitted. The presence of a triable issue was ignored and summary judgment granted contrary to Rule 56.

The second requirement of the Rule, that the moving party must be entitled to judgment as a matter of law, was not met. While the structure claimed by the patent in

BLEED THROUGH POOR COPY

suit was simple and seemingly suited for summary judgment motion, the issues were in fact too complicated for the busy trial judge to absorb in the short time available for the hearing on the motions. As a consequence, physical evidence [the Halliburton luggage, Ex. R] which would have been highly persuasive if not determinative of the case was overlooked by the Trial Court because of the nature of the proceedings. From a comparison of the prior Halliburton structure with that of the patent in suit, it is clearly apparent that it cannot be said that as a matter of law the Koch patent is valid.

II.

There Is No Conflict Between the Decision of the Court of Appeals in This Case and Decisions of the Other Circuits.

While summary judgments have occasionally been permitted in patent cases in the Ninth as well as other circuits, it has frequently been stated in all circuits that summary judgment procedure should be used with extreme caution in patent cases. Even the cases cited by petitioner support this statement:

> "Ordinarily the issues in a patent case are such that it is inappropriate to pass on the question of the validity of the patent without hearing testimony . . ."
>
> *Pierce v. American Communications Co., Inc.* (D. C. D. Mass.), 111 Fed. Supp. 181, 97 U. S. P. Q. 60.

> "The courts are reluctant to decide important issues by summary judgment because of the lack of a record adequate to explain the issues of fact and law."
>
> *Parke Davis & Co. v. American Cyanamid* (C. A. 6), 207 F. 2d 571 at 573.

The Court of Appeals in this case acted in accordance with established standards recognized in all circuits in remanding this case for trial under the particular facts involved, and in so doing emphasized the dangers inherent in deciding patent cases on motions for summary judgment.

The fact that both parties moved for summary judgment did not transmute the genuine issues of fact into questions of law. There may not be an issue of fact according to the theory of one moving party, but on a different theory of the other moving party, a direct conflict may exist.

> *Begnaud v. White* (C. A. 6, 1948), 170 F. 2d 323;
> *Walling v. Richmond Screw Anchor* (C. A. 2, 1946), 154 F. 2d 780, 784.

As stated by the Court of Appeals, there are always issues of fact inherent in conflicting contentions concerning the validity and scope of patents. Here, as the record clearly shows, there were genuine issues of fact in the opposite contentions of the parties on these questions and summary judgment was therefore improper under the Rules and the decisions.

BLEED THROUGH POOR COPY

III.

The Public Interest Demands Careful Inquiry Before Holding a Patent Valid.

The stake of the public in patent validity was stated by this Court in

> *Great Atlantic & Pacific Tea Company v. Supermarket Equipment Corp.*, 340 U. S. 174, 71 S. Ct. 127, 95 L. Ed. 162, 87 U. S. P. Q. 303:
>
> "Every patent is the grant of a privilege of exacting tolls from the public. The Framers of the Constitution plainly did not want those monopolies freely granted."
>
> ". . . The function of a patent is to add to the sum of useful knowledge. Patents cannot be sustained when, on the contrary, their effect is to subtract from former resources freely available to skilled artisans."

See, also:

> *Mercoid Corporation v. Mid-Continent Investment Co.*, 320 U. S. 661, 665:
>
> "It is the public interest which is dominant in the patent system."

And

> *Haughey v. Lee*, 151 U. S. 282, 285:
>
> "Besides, the defense of want of patentable invention in a patent operates not merely to exonerate the defendant, but to relieve the public from an asserted monopoly . . ."

The Court of Appeals in the present case found that the interests of the public had not been adequately pro-

tected since a summary disposition of the litigation was made instead of trying the issues of validity and infringement as should have been done. The standards for invoking summary judgment require that the facts shall be so clear that there can be no room for controversy.

Chenault v. Nebraska Farm Products, Inc. (D. C. Neb.), 107 Fed. Supp. 635, 94 U. S. P. Q. 321;
6 *Moore's Federal Practice* (2d Ed), p. 2071.

This standard was not met in the present case and the interest of the public accordingly suffered. The Court of Appeals was properly vigilant in protecting the public interest by remanding the case for trial.

Again we point to the fact that due to the use of summary procedure herein, one of the most important pieces of evidence in the case, to-wit, the Halliburton luggage, was totally ignored in the findings and very evidently was not considered by the Trial Court in its decision on the motions for summary judgment.

IV.

Petitioner's Alleged Questions Have No Basis in the Record.

Petitioner's first three questions are in effect one question: Was summary judgment proper under the facts of this particular case. The alleged conflicts asserted by petitioners in their first three questions do not in fact exist when it is remembered that this decision is based on its own particular facts and merely reasserts the long established *rule of caution* to be followed in patent cases.

Question 4 relating to the presumption of validity and Question 5 relating to non-analogous art have no basis in

BLEED THROUGH POOR COPY

the Court of Appeals decision since that Court did not rule on the merits but instead rendered its decision on procedure only.

Question 6 relating to the absence of findings of fact is moot since the trial court did make findings of fact.

Conclusion.

No conflict exists between the decision of the Court of Appeals in this case and Rule 56 or the decisions of other circuits. The decision does not raise or decide any novel point of law. There is no question of public moment present here, other than the protection of the public against ill advised motions for summary judgment. The case was properly decided by the Court of Appeals and the petition accordingly should be denied.

Respectfully submitted,

ROBERT W. FULWIDER,
HARRY W. BRELSFORD,
EDWARD E. TUTTLE,
Attorneys for Respondent.

KOCH

HALLIBURTON

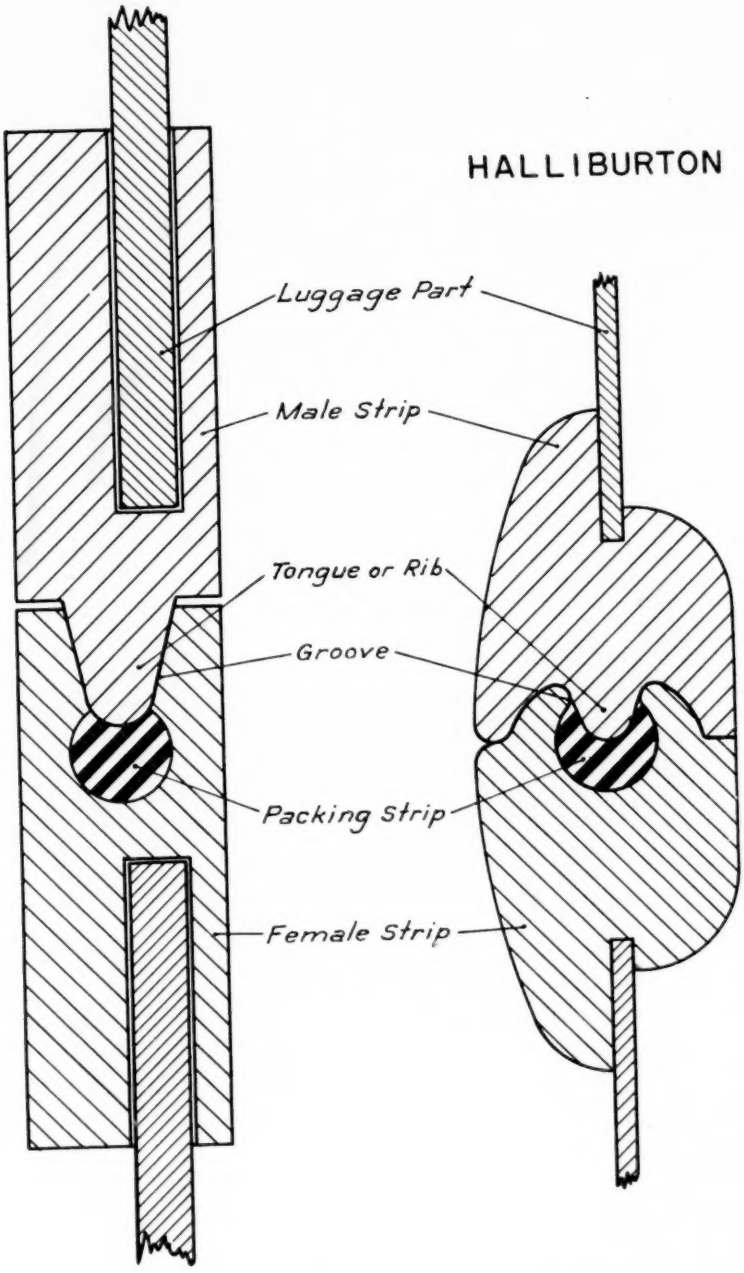

EXHIBIT B

EXHIBIT Q